



ERNE FLETCHER  
GOVERNOR

**CABINET FOR HEALTH AND FAMILY SERVICES**  
DEPARTMENT FOR MEDICAID SERVICES  
COMMISSIONER'S OFFICE  
275 EAST MAIN STREET, 6W-A  
FRANKFORT, KENTUCKY 40621-0001  
(502) 564-4321 (502) 564-0509 FAX  
[WWW.KENTUCKY.GOV](http://WWW.KENTUCKY.GOV)

JAMES W. HOLSINGER, JR., M.D.  
SECRETARY

February 16, 2004

Emergency Transportation Letter # A-41  
Non-Emergency Transportation Letter # A-8

Dear Provider:

This letter is to update you on recent changes in the Emergency and Non-Emergency Stretcher Transportation Program. After reviewing the Transportation Billing Instructions it was determined that some of the instructions needed clarification and updating. Problems to the Transportation Billing Instructions were found specifically on pages 3-24, 3-25, and 3-26. The correction made to pages 3-25 and 3-26, refer to the instruction for line 19 and 23 of the HCFA 1500 form. Line 19 had previously been the place where you entered the location of pick up code and military time of pickup. Line 19 now is only used for location of pick up code. Line 23 is now the place to enter the four digit military time of pick up. In addition, the verbiage that referred to military time on line 19 of the sample HCFA 1500 form has been removed. Please initiate the appropriate changes to your HCFA 1500 billings to accommodate these changes.

For Provider type 56, Specialty 16 (Non-Emergency Stretcher Ambulance), effective March 1, 2004 the Department for Medicaid Services will implement the following payment methodology for reimbursing non-emergency ambulance providers for Medicare Part B co-insurance and deductibles. Providers will not receive more from Medicaid for a Medicare Part B crossover claim for a given covered service than would be allowed for a Medicaid recipient for the same covered service. This methodology is consistent with Medicaid crossover payments to the majority of other Medicare Part A and Part B providers.

Section 1902 (n) of the Social Security Act, as amended by the Balanced Budget Act of 1997, permits states to choose to continue to pay the full Medicare deductibles and co-insurance amounts for recipients eligible for both Medicare and Medicaid or to limit payment to the amounts established in their State plan for the service. The law further

February 16, 2004  
Page Two

states that the providers must consider these payment amounts as payment in full if the provider submitted to Kentucky Medicaid for payment. Recipients are not liable for any charges billed by medical providers to Kentucky Medicaid.

Medicare Part B claims submitted by non-emergency ambulance providers (Provider Type 56) on or after March 1, 2004 will be reimbursed the lesser of the Medicaid allowed amount minus the Medicare payment; or the amount of Medicare co-insurance and deductible, up to the Medicaid allowed amount.

Charges for non-emergency stretcher ambulance services should be submitted on the HCFA 1500 claim form and a copy of the Medicare Remittance Advice must be attached. Program reimbursement is limited to the following components:

- a.) Base Rate – procedure code T2005
- b.) Mileage for loaded miles – A0425
- c.) Oxygen – A0422
- d.) Additional Passenger – T2005 GM

If you have any questions, please call Charles Douglass, Branch Manager of Specialty Services Branch, Department for Medicaid Services, Division of Physicians and Specialty Services at (502) 564-2687.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Fendley", with a stylized flourish at the end.

Russ Fendley  
Commissioner

Attachment

RF/sm